

FISCAL NOTE

SB 2134 - HB 2352

March 18, 2002

SUMMARY OF BILL: Enacts the "Rural Economic Development Assistance Act of 2002" which:

- creates the Rural Economic Development Assistance Fund and specifies that the General Assembly will appropriate 50% of the funds received from the tobacco master settlement agreement to this fund.
- empowers the Tennessee Local Development Authority to issue revenue bonds and notes secured by the Fund and to make the proceeds available for the purposes of establishing and fostering agricultural development and educational assistance programs and similar activities.
- outlines the authority of the Tennessee Local Development Authority with regards to the Fund.
- specifies that the agricultural development programs funded pursuant to the bill are to foster long-term development and growth in Tennessee's agricultural economy and outlines categories for which funds can be expended as part of such programs.
- specifies that the educational financial assistance programs shall facilitate pursuit of educational opportunities by persons directly or indirectly affected by changes in the agricultural economy and shall facilitate the location of persons in rural and under served communities whose skills are needed to improve those communities and outlines the type of assistance that may be made available.
- establishes the Rural Economic Development Assistance Fund Advisory Board to advise the Commissioner of Agriculture on issues related to the design, implementation, and operation of the programs authorized by the bill and outlines the membership of such board. Provides for members of the board to be reimbursed for expenses.
- outlines powers of the Department of Agriculture related to the provisions of the bill.
- requires the Tennessee Local Development Authority and the Department of Agriculture to submit a joint annual report to the Governor, the House Agriculture Committee and the Senate Commerce, Labor and Agriculture Committee and outlines what should be included in such report.
- requires annual audit of the accounts of the Tennessee Local Development Authority.
- provides for the Governor and the Speakers of the House and Senate to appoint advisors to the Tennessee Local Development Authority for purposes of administering the provisions of the bill.

SB 2134 - HB 2352

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact: Shifts approximately \$80,000,000 from the general fund to the Rural Economic Assistance Fund. Since such revenues are currently used to fund the budget, earmarking such funds for a new program would mean they would have to be replaced in the general fund from other sources.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director